

with respect to addressing the Army's recapitalization needs.

Mr. STEVENS. I thank the Senator from Pennsylvania for his observations on the realities of the appropriations process. Candidly, there were more programs of need for the Army than there were resources available to the committee. I am committed to working with conferees to this bill in conference to try to address these two particular programs.

Mr. SANTORUM. I thank my colleague for his remarks and I stand ready to provide whatever assistance might be necessary to secure supplemental appropriations funds for Bradley fighting vehicles and Hercules improved recovery vehicles.

PUBLIC HOUSING ENERGY COSTS

Mr. REED. Mr. President, I would like to engage in a colloquy with the distinguished chairman and ranking member of the Transportation, Treasury, Judiciary, and HUD Subcommittee of the Committee on Appropriations.

As my colleagues know, rising home energy costs and high prices at the pump are draining dollars out of our communities and the pocketbooks of American families. This is money that could be spent on school supplies, food and medicine, and retirement savings. The burden of high energy prices is disproportionately felt by low-income and working class consumers, who do not have the disposal income to meet these expenses. The unanticipated increases in energy costs due to Hurricanes Katrina and Rita at the beginning of the 2005/2006 heating season have had a significant impact on the ability of local housing agencies to effectively manage their public and section 8 housing inventories.

Nationwide, approximately 3 million families receive public housing or section 8 housing voucher assistance, which helps families pay for housing costs, including utilities. In Rhode Island, public housing provides homes for 16,000 households, 7,000 of whom are elderly or disabled and 9,000 family members. The section 8 voucher program serves an additional 16,000 residents, 3,300 who are elderly or disabled, and 12,173 family members. Public housing and the section 8 voucher programs are important assets to communities and residents in Rhode Island, making affordable housing available to many elderly, disabled, and working families. In 2004, the average rent for a two-bedroom apartment in the State was \$1,121. The average income needed for this rent is \$45,000 per year, or \$16.25 per hour. Teachers and librarians earn only an average of \$40,685 per year in Rhode Island. Half of all Rhode Island residents cannot afford the rent on the average two-bedroom apartment. The average hourly wage needed to afford a one-bedroom apartment in the State is \$14.05. A minimum-wage employee, working full time, would be able to afford \$351 in rent.

Public housing agencies pay utility bills, and vouchers include an allow-

ance for tenant-paid utilities. The Department of Housing and Urban Development's (HUD) budget for fiscal year 2006 for both public housing and section 8 vouchers did not contemplate the growth in energy costs that we have seen since the gulf coast hurricanes of 2005. The 1.5-percent increase budgeted for utility payments is woefully inadequate this year.

For approximately 80 percent of public housing units, the local housing agency pays directly for utilities. The local agency cannot pay increased utility bills by raising rents. In the remaining 20 percent of public housing units, local agencies assist families, elderly, and disabled persons to pay utility bills where these bills would tip housing costs over 30 percent of income. HUD's public housing operating fund budget, which pays for utilities, for fiscal year 2006 incorporated only a 1.5-percent increase for rising energy costs, a level not close to the utility rate hikes experienced by local agencies. In 2005, public housing agencies received just 89 percent of the amount necessary to cover basic maintenance and operations, and in fiscal year 2006, these agencies are expected to receive about 91 percent of necessary funding. Public housing agencies cannot absorb these increases within their budgets or reserves. Without supplemental funding, many agencies will be forced to again cut back on basic maintenance and vital services to the elderly, disabled, and working families they serve.

The section 8 voucher program is experiencing similar problems. About 20 percent of assisted families have utilities included within their rental charges. For the remaining 80 percent, housing agencies provide the family with a standard utility allowance based on energy consumption for the housing unit where they live. HUD calculates the annual increases in voucher funding and the amount that agencies are permitted to pay on behalf of families for tenant-paid utilities based on area housing cost estimates. Again, these calculations were developed before the recent increase in utilities. Housing agencies are required to recalculate and increase utility allowances for families whenever utility costs increase by 10 percent or more. However, under the current "budget-based" method of funding vouchers, no additional funding will be provided midyear to accommodate these increased costs. The failure to provide additional funding to local agencies for utility increases will create either greater rent burdens for low-income families or force agencies to reduce the number of families they assist within their limited budgets.

An example from my home State of Rhode Island is illustrative of what public housing agencies are facing across the country. The Woonsocket Public Housing Authority serves 1,300 families in public housing, including 650 senior citizens. While the agency is authorized to serve 669 families with

vouchers, the funding provided to the agency under the budget-based voucher formula limits them to serving only 639 families. Woonsocket has previously undertaken many energy-saving activities; however, utility costs for electricity increased 100 percent in November/December 2005 over the same months in 2004. Natural gas increased 37 percent for the last 3 months of 2005. Utilities costs, which were 30 percent of the operating costs, now have begun to approach 40 percent and could go to 50 percent.

For this reason, I filed an amendment to H.R. 4939, the emergency supplemental appropriations bill, to provide \$493 million to public housing agencies to address rising energy costs for the section 8 voucher program and public housing units. Unfortunately, the amendment is not germane postcloture and will not receive consideration. Local housing agencies are not able to absorb these costs and meet their mission to ensure safe, decent, and affordable housing. I am particularly worried that the problem will only be exacerbated as HUD's fiscal year 2007 budget projects a 1.8-percent decrease in utility costs. Rising energy costs will remain a pressing issue for American families and our local communities, and they need our assistance. I recognize the difficult budget constraints that the chairman and ranking member face this year as they begin the fiscal year 2007 appropriations process. I hope the chairman and ranking member can work with me to address the growing problem of rising energy costs on local housing agencies as they begin work on the fiscal year 2007 Transportation, Treasury, Judiciary, and HUD appropriations bill.

Mr. BOND. Mr. President, local housing agencies in my State are also facing these rising energy costs. The Housing Authority of Springfield experienced a 28-percent increase in utility costs this winter during the city's second warmest January and the warmest February in recorded history. This utility increase represents an approximate 6-percent increase in the public housing agency's operating budget. As the Senator mentioned, many core programs within the subcommittee's jurisdiction are facing deep cuts in the fiscal year 2007 budget request, and at this point, I am not certain what our allocation will be for the fiscal year. The Senator raises an important concern, and I will take a serious look at how these unbudgeted costs may be addressed so that local agencies can continue to manage their operations responsibly.

Mrs. MURRAY. Mr. President, I would second what the chairman has just stated about the budget constraints facing our subcommittee. I am committed to working with the Senator from Rhode Island during the fiscal year 2007 budget process to address these rising energy costs.

Mr. DURBIN. Mr. President, I would like to take this opportunity to discuss